

Agricultural Situation

APRIL 1956

Vol. 40, No. 4

Agricultural Marketing Service
U. S. Department of Agriculture

In This Issue

	Page
How Would You Estimate Corn or Wheat Crops?...	1
Facts From Crop Reports...	3
General Outlook.....	4
Who Gets the Steer Money?	5
Selling Texas Beef in New York	7
Farmers Help Other Farm- ers When They Buy Plentiful Foods.....	8
Farm Land Prices Rise.....	10
Bert Newell's Letter.....	12
Where Do Your Lambs Go?.....	13
Smaller Crop Acreage Planned	14
Farmers' Prices.....	15
Early Lamb Crop.....	16

Permission Is Given To Reprint
Articles In This Publication

HOW WOULD YOU ESTIMATE CORN OR WHEAT CROPS?

How would you like the job of finding out how many bushels of corn or wheat will be produced this year in the United States? That is, long before the crop is ready to be harvested.

Well, it's no easy job, but it's our job in the Crop and Livestock Reporting Service.

Important agricultural information on acreage, yield, and production of crops serves the farmers as a compass in guiding them toward their goal of successful production and marketing.

When farmers fill out questionnaires and report on how the crop looks to them on the first of each month during the growing season, they can't be sure that the weather isn't going to turn out better—or worse—than they expected.

Nevertheless, it is important to all farmers and a lot of businessmen to know something about the expected crop prospects and supplies on the first of each month.

On the average, the Crop Reporting Board issues two reports each work day. These reports on more than 150 different farm products give current State and national estimates of production, stocks, and prices received by farmers.

We mail out more than 8½ million questionnaires each year. The mail inquiries are supplemented by telephone, telegraph, personal interviews, observation in the field, some frontage measurements with crop meters, and field counts.

These are handled largely through your State statistician's office. It is not enough just to collect a lot of figures and reports from farmers. The State statisticians are trained in agriculture and understand farming and farming conditions and customs in the area to which they are assigned.

Good Sample Needed

Since it's impossible to get replies from every farmer or rancher, the statistician takes the replies, computes averages that can be compared with the past records so he can come out with an estimate for the whole State.

You farmers know how this sampling procedure works because you are used to taking samples of grain, cotton, or other crops and estimating for the whole lot.

Livestock reporting services include reports on breeding intentions, inventories on specific dates, and livestock births, all of which are reports emphasizing prospective supplies.

Also included are regular periodic reports on livestock slaughter and meat production, monthly milk, egg, and hatchery production, calendar year production and income, monthly and yearly prices received by farmers for livestock and livestock products.

Workstock statistics are prepared once a year, but weekly reports are issued for a fast turnover industry such

as the commercial broiler chick business.

Considerable emphasis is placed on collecting market movement data from stockyards, packers, State inspection records, and railroad and truck movements.

Information on prices received by farmers for the products they sell tells only half the story of "rural living." A better measuring rod would be the purchasing power of agricultural commodities.

Why are retail lumber dealers asked information on prices paid by farmers for various items handled by lumber dealers?

This type of information provides a measuring stick that will help to show the purchasing power of agricultural commodities. For example, how many bushels of potatoes or wheat will it take to buy a new roof for the barn; or to buy the lumber to put up new farm buildings?

Parity Ratio

These two sets of prices—prices paid by farmers and prices received by farmers—form the basis for the series of index numbers. They are the Index of Prices Received by Farmers, and the Index of Prices Paid by Farmers, including interest, taxes, and farm wage rates. The latter is known as the Parity Index.

The ratio of these two indexes is known as the Parity Ratio. This ratio is widely used to measure the average relationship of prices received by farmers to corresponding parity prices.

**R. K. Smith, Vice Chairman
Crop Reporting Board, AMS**

The Agricultural Situation is sent free to crop, livestock, and price reporters in connection with their reporting work.

Editor: Jack L. Flowers

The Agricultural Situation is a monthly publication of the Agricultural Marketing Service, United States Department of Agriculture, Washington, D. C. The printing of this publication has been approved by the Director of the Bureau of the Budget (January 16, 1956). Single copy 5 cents, subscription price 50 cents a year, foreign 70 cents, payable in cash or money order to the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

Assistant Editor: Marcelle Masters

YOU

CAN GET THESE FACTS

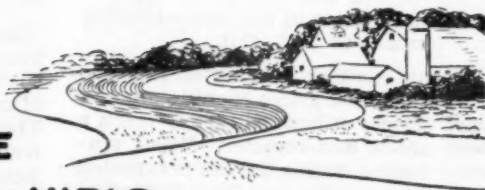
**FROM YOUR CROP AND LIVESTOCK
REPORTING SERVICE —**

CROPS

• ACREAGE

• YIELD

• PRODUCTION



LIVESTOCK

• NUMBERS

• PRODUCTION

• SLAUGHTER



PRICES



PAID AND RECEIVED BY FARMERS



U. S. DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

Outlook

The Index of Prices received by farmers increased 2 percent during the month ended in mid-March. Farm product prices increased more than the Parity Index, thereby raising the Parity Ratio to 82.

Livestock

Prices of Choice and Prime steers this spring are expected to average a little higher than their February low. A substantial seasonal price increase seems likely later in the year—possibly mid-summer or early fall.

By mid-spring a substantial seasonal recovery in hog prices should be under way. Prices of hogs will likely reach a peak about mid-summer. Their seasonal decline during the fall is expected to be considerably less than the severe downtrend last fall.

Dairy

Milk production is on the way to a new record in 1956. The total for the year probably will be between 126 and 127 billion pounds compared with 123.5 billion in 1955. Prices to farmers for milk and butterfat changed little in the past year and will not change much in the coming year, barring widespread drought. With larger sales, cash receipts increased slightly from 1954 to 1955 and probably will show another small increase in 1956.

Poultry

A larger and earlier hatch of chicks for laying flock replacement than in 1955 is in prospect for 1956. Monthly egg production to mid-year will probably be close to a year ago, while production thereafter will depend on the size of the increase in the replacement hatch now under way.

The average weekly rate of broiler placements has increased in each month since September and the number of birds maturing in March is probably a record for the month. April and May supplies will likely be even larger.

Fats and Oils

The market for U. S. oilseeds and fats and oils is strong, reflecting a record world demand. Prices of soybeans and edible oils have moved up sharply under the stimulus of the export demand. Heavy production of lard has kept prices well below those for the edible oils, despite a high rate of domestic disappearance and exports.

Feed

Lower feed prices have resulted in more favorable feed price ratios this winter than a year earlier for producers of most livestock and poultry products. The principal exception has been for hog producers. Because of large CCC holdings of corn, prices probably will again be high relative to other feed grains this summer.

Cotton

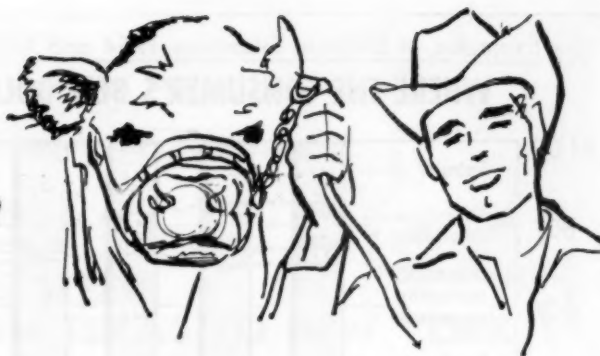
Prices for cotton have increased during the current season as stocks held by CCC have accumulated. Exports of cotton continue to move at a slow rate. Indications are that cotton mill consumption probably will continue at a high rate during the rest of the current season.

Tobacco

Farmers' intentions as of March 1 indicate a prospective acreage for flue-cured tobacco 11 percent lower than the 1955 harvested acreage.

Acreage allotments for 1956 have been increased for burley, fire-cured, dark air-cured, and Maryland tobaccos in compliance with legislation approved March 2, 1956. The 1956 allotments bring acreages allotted to most farms for burley, fire-cured, and dark air-cured to about the same acreages allotted for the 1955 crops. For Maryland tobacco, the revised 1956 allotment is about 15 percent over the previously announced allotments for 1956 and about equal to the 1953 acreage allotment.

WHO GETS THE MONEY?



Ranchers and feeders received from 65 to 73 cents of the consumer's dollar spent for U. S. Choice beef in 1954 and 1955, according to 6 examples worked out by the Agricultural Marketing Service. Returns to ranchers alone ranged from 19 to 38 cents.

Ranchers and farmers know that returns from beef cattle operations can vary a great deal. His location, the feeding system he uses, the time at which he sells, marketing costs, the marketing channels used, and many other factors influence how much the producer will get back for the time and money he puts into the job of raising or feeding beef cattle.

The chart on page 6 illustrates six different situations in 1954 and 1955. It shows how the consumer's dollar spent for U. S. Choice grade beef is divided among producers, feeders, and marketing agencies under different marketing and feeding programs.

The examples are not intended to suggest the average returns that could be expected from the different feeding systems, marketing channels, or other factors. If the rancher or feeder had decided to sell a month or two earlier or a month or two later, the whole movement might have changed returns to the rancher, feeder, packer, wholesaler, and retailer.

There are many other marketing and feeding programs, time periods and geographic locations, and other grades than U. S. Choice. But these illustrations bring out the variations in returns and marketing agencies.

Short descriptions of the six examples appear under the chart on page 6.

We will examine in some detail Example No. 1.

Assume that in October 1954 a U. S. Good grade 555-pound yearling steer, raised on a ranch near Weatherford, Tex., was shipped by truck to the Fort Worth livestock market. A commission firm sold the steer the next day to a cattle feeder from near Topeka, Kans.

The steer arrived at the Kansas feedlot a few days later, weighing 530 pounds. The feeder put the steer on a typical northeastern Kansas Corn Belt winter full-feeding program.

In June 1955, the steer was shipped to the Kansas City market, where it weighed 950 pounds.

A Kansas City packer bought the steer for immediate slaughter. The 561-pound beef carcass was graded U. S. Choice and was sold to a retail food chain store in New York City.

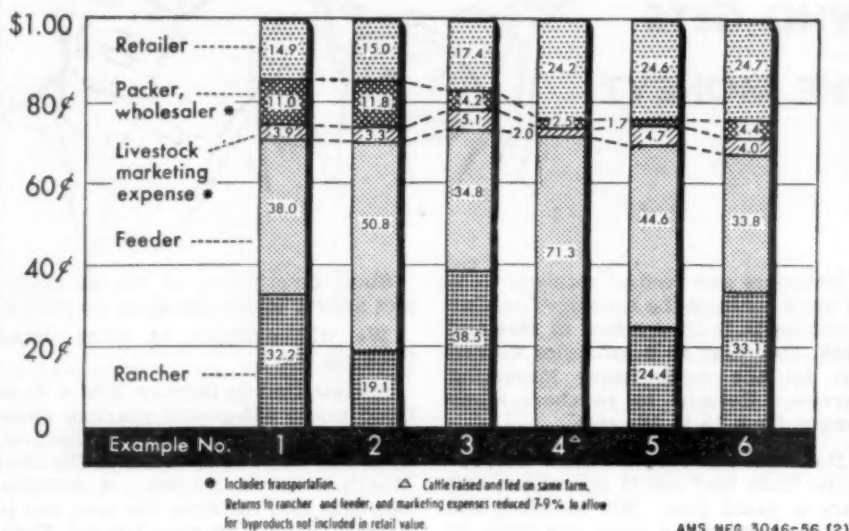
The 443 pounds of retail cuts obtained from the carcass were sold to consumers in New York City during the last week of June 1955.

Receipts, expenses, and gross returns of those who marketed the steer and the beef are tabulated on page 7.

We have also made some estimates of net returns to feeders. In example No. 1, feed costs were \$104.00, miscellaneous costs (medicine, sprays, veterinarian, etc.) \$2, and labor \$2.40, making a total of \$108.40 for feeding costs. As the feeder's gross return was \$109.12 (see next page), his net return for feeding the steer was 72 cents.

Six Examples, in Different Situations, 1954 and 1955

WHERE THE CONSUMER'S BEEF DOLLAR GOES



1. A feeder steer sold from a ranch in Texas in October 1954; typical northeastern Kansas Corn Belt winter full-feeding program; meat retailed in New York City in June 1955.

2. A feeder steer sold from a ranch in Texas in October 1953; put on the typical Kansas deferred-feeding program for 390 days; meat retailed in New York City in November 1954.

3. A feeder steer sold from a ranch in Wyoming in September 1954; put on the typical Corn Belt winter feeding program in Iowa for 210 days; retailed in Washington, D. C., in April 1955.

4. Steer raised and fed on a farm in Illinois; sold in Chicago to a local packer in July 1955, and retailed in Chicago.

5. Feeder steer sold from a ranch in Texas in October 1953; put on range and pasture with supplemental feeding for 320 days near El Centro, Calif.; retailed in Los Angeles in November 1954.

6. Feeder steer sold from ranch in Montana in September 1954; shipped to a ranch near Manteca, Calif., and put on native foothill pasture for 145 days; dry-lot feeding for 60 days; retailed in San Francisco.

Example No. 2 is similar to No. 1, in that the steer was raised in Texas and the beef was retailed in New York City. But it took place a year earlier and a different feeding system was used. Feed costs were \$114.28, miscellaneous costs \$9, and labor \$2.50—a total of \$125.78. Subtracting these costs from the feeder's gross returns of \$180.50

leaves \$54.72 as the net return to the feeder.

You can get details for the other examples in "Beef Marketing Margins and Costs," Misc. Pub. 710, published by the Agricultural Marketing Service. You can get a copy by writing to the Office of Information, U. S. Department of Agriculture, Washington 25, D. C.



FOLLOW THIS STEER FROM TEXAS TO NEW YORK

RANCHER received for 545-pound (shrink deducted) U. S. Good grade feeder steer at Fort Worth, October 1954, at \$17.51 per 100 pounds	\$95.43
Less trucking and market expenses	2.98
Gross return to rancher	92.45
FEEDER received for 950-pound (shrink deducted) U. S. Choice grade fed steer at Kansas City, June 1955, at \$22.40 per 100 pounds	212.80
Less:	
Cost of feeder steer	\$95.43
Shipping and feeding from Fort Worth to Kansas seedlot	3.98
Trucking to Kansas City, and market expenses	4.27
Total	103.68
Gross return to feeder	109.12
PACKER-WHOLESALE received for 561-pound U. S. Choice grade beef carcass (950-pound liveweight), New York City, June 1955, at \$39.82 per 100 pounds	223.39
Less:	
Cost of fed steer	\$212.80
Shipping carcass to New York City	14.05
Total cost	226.85
Allowance for byproducts	18.16
Net cost	208.69
Gross return to packer-wholesaler	14.70
RETAILER received, for sale of 443 pounds of retail cuts of beef including allowance for the sales of bones, fat, and waste (June 1955) from 561-pound beef carcass	262.60
Less cost of carcass delivered at New York	223.39
Gross return to retailer	39.21

FARMERS!

When You Buy Food, Get Plentiful Foods

It's smart shopping and will help other farmers



Sing a song of
pork chops, a
platter full of
ham. Four or
20 bacon strips,
a-sizzling in
the pan.

The King
is in his
smokehouse,
proclaiming
"How
Gastronomi-
cal!"



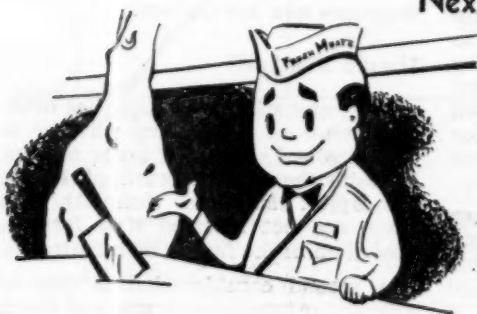


The Queen is in the market, exclaiming "How Economical!"

When her shopping bag is opened, Her Highness always sings, "All these different kinds of pork make most delicious things!"



Pork Is Plentiful in April



Next month's Plentiful Foods— **BEEF**

Pork . . . lard . . . rice . . .
broilers and fryers . . . milk
and other dairy products . . .
onions . . . grapefruit . . .
canned and frozen cherries . . .
dates . . . peanut butter

IS FARM REAL ESTATE A GOOD BUY DESPITE HIGHER LAND PRICES?

Farm real estate values were 1 percent higher on November 1, 1955, than they were 4 months earlier, 5 percent higher than a year earlier, and 3 percent above the previous peak reached in July 1952.

Continued business prosperity and strong demand by farmers for additional land to enlarge their farms have helped to offset the expected effects of lower commodity prices on land values. The present upturn in land values began in the first half of 1954. In the last 40 years, there has never been so long a period when land prices rose while farm income fell.

Danger Signal

Many of the local people who report to the Agricultural Research Service on the farm real estate situation consider that land prices are higher than can be justified by current and prospective earnings from farmland. They see potential danger for buyers who must depend on farm income to pay for their farms.

Many people who are buying land probably believe that prices are too high, but other considerations overrule.

Many farmers and nonfarmers continue to view farmland as a safe and desirable investment that is likely to increase in value as the national economy continues to expand, despite lower returns currently. They feel that a farm offers security in case of inflation or depression.

Farmers have been forced by the cost-price squeeze to make changes to increase efficiency. In order to make efficient use of the labor and equipment they now have, many farmers need more land. Purchases of farm land for this reason have increased in recent years.

Nonfarmer buyers also have other considerations besides price. A city worker seeking country living tends to view a small farm as insurance against future unemployment, as a

form of savings that yields more satisfaction than bank deposits or bonds. And prices of such farms are not high compared with prices of city residences.

Many nonfarmers have a strong desire to own a farm for eventual retirement. They may not be too concerned about whether the farm will pay for itself.

The nonfarmer investor may be willing to accept a lower rate of return from land because he may see a tax advantage, or a desirable spreading of his investments. The desire to possess something tangible to pass on to children is frequently an additional consideration.

As for the last several years, the below-normal number of farms on the market helped to hold prices up from March to October 1955. Both owners and prospective buyers appear to hold the same general attitudes and opinions concerning the desirability of owning land. They feel it is a safe investment and a good hedge against inflation.

Most owners have not been under financial pressure to sell because mortgage debt has been low, and they often have supplemental income from non-farm sources.

Capital invested in land tends to be less mobile than other forms of capital investment. Full-time operators are reluctant to liquidate their large investments in machinery, equipment, and livestock in order to recover their real estate capital. They would also have to choose new occupations.

Should You Sell?

A nonoperating landowner has other considerations in deciding whether to sell farmland because of lower returns. Probably the most important of these is the capital gains tax. Normally, such taxes are not assessed if a farm is passed on in the family by inheritance.

A second consideration is that of alternative investments, many of which

are intangible and unfamiliar. Also, there is a tendency to value farmland in terms of original cost, which in most instances would be less than the current value. Current returns, although lower, still are favorable in relation to the amount originally invested. In addition, landlords typically do not share in many of the cost items that are paid by farm operators. Their returns have not been reduced as much by higher costs as have the returns to tenants and mortgaged owners.

Reporters believed that fewer sales occurred in most areas in March to October 1955 than a year earlier. Dealers in all areas said that more sales effort was required to make a sale last March to October than a year earlier, and that it took longer.

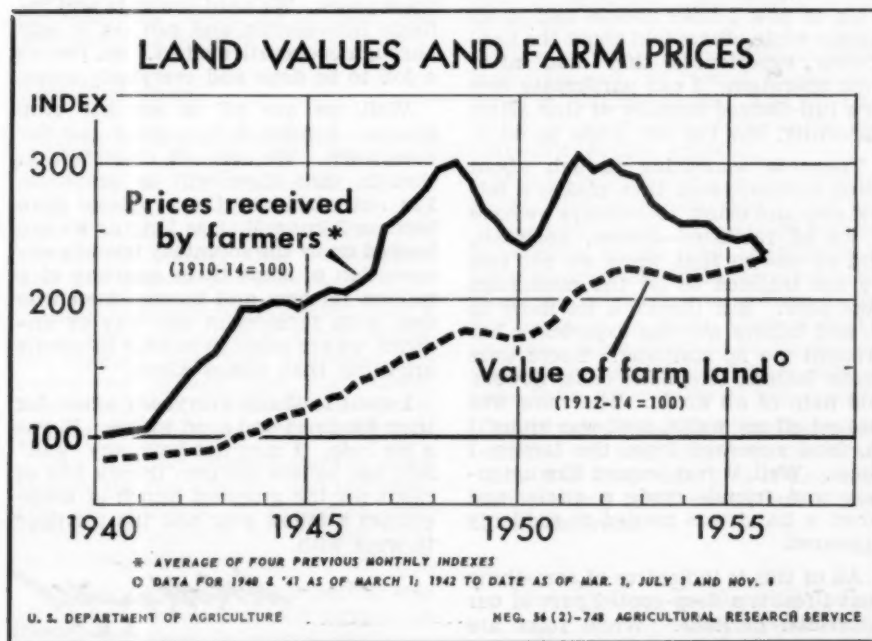
Looking ahead, two-thirds or more of the reporters in most areas last October expected to see little change in land prices during the following 6 months. But of the third who expected a change, 2 out of 3 thought prices would fall rather than rise.

Taking a 5-year look ahead, a third of the reporters expected some decline in the next 5 years, but a fifth thought prices would rise.

Even though land prices have risen for the past 2 years, none of the things noticed in past land booms can be found in the current situation. Credit has been extended and used with caution, purely speculative activity is rare, and the rates of both voluntary transfers and foreclosures are at or near an all-time low.

Even so, many people may not have given enough attention to the increases in food and fiber production, both on farms and in industry, that technology is likely to bring about. Failure to appraise these probable increases in production may lead some people to expect higher incomes from land than can be realized. The real basis for land values in the future, as in the past, must be the level that can be supported by long-term land earnings.

William H. Scofield
Production Economics Research Branch,
ARS



"Bert" Newell's Letter

I feel a lot better now, and thanks to all of you for your kind thoughts and good wishes. All that's bothering me just at present is that my wife, the doctors, and my neighbors keep such close check on me I don't hardly dare do anything. Right now I'm hiding out in my basement workshop where no one can see me, using a pencil to write this letter.

According to the doctors, the operation went off in good shape. From my standpoint though, when I came to I thought I must have gone to sleep on a railroad track. Anyway, they handed me about a peck of gall stones they say they got. I still have a sneaking notion though that someone scraped up a bunch of rocks off the road and put them in a bottle for me. Whatever they did it seems to have brought the answer because I can now eat anything and that's a relief.

Up to now I have always had to sit quietly while others told about the harrowing experiences they had after their operation. I can participate now as a full-fledged member of that select fraternity, but I'm not going to do it.

There is something though about being incapacitated that makes a fellow stop and think. Nowadays we have a lot of facilities—clinics, hospitals, and so on—so that when we get sick we are inclined to let the mechanics take over. But there's a lot more to it, and believe me this experience has brought me up standing. There were cards, letters, telephone calls, flowers, and help of all kinds. The snow was cleared off my walks, mail was brought in, food appeared from the fairies, I guess. Well, it just seemed like neighbors and friends made a circle, and when a hand was needed it suddenly appeared.

All of this is indicative of something that I feel is a deep-rooted part of our American heritage. When folks are in trouble or a job needs doing, it's the

most natural thing in the world to step in and offer a hand. I think it is the same spirit that makes our Agricultural Reporting Service the greatest service of its kind in the world.

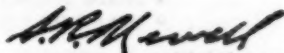
I have had tangible proof of that spirit on several occasions. Some years ago, when I was a State statistician, our mailroom got mixed up and sent out an old July schedule for August.

Time was short and I was really in a jam. We hurriedly ran off another list and mailed the right schedule but with each schedule I put in a note telling of our mistake and saying I was really in trouble and needed the schedule back as quick as possible. You know, I came pretty close to getting 100-percent return on that inquiry. Everyone jumped in and put the report over in fine shape.

It was that same spirit that started this service and has kept it going all these years. We need accurate and reliable information and can get it only through cooperative effort. So, there's a job to be done and everybody helps.

Well, we are off to another crop season. I hope it is a good one for everybody. We can all count on it, though, that there will be problems. I'm not afraid of the problems here because I know that as long as we are backed up by the voluntary friendly co-operation of some three quarters of a million farmers and businessmen who deal with farmers in one way or another, we are going to be able to handle anything that comes along.

I want to thank everybody again for their kindness and good wishes. It was a big help. I may not have any "gall" left, but believe me boy, there's lots of heart for the grandest bunch of cooperators a fellow ever had the privilege to work with.



S. R. Newell
Chairman, Crop Reporting Board, AMS



Mary's Lamb Followed Her . . . But Where Do Your Lambs Go?

Lamb and mutton producers should feel very kindly towards people in New York, California, and Massachusetts. Fifty-three percent of all lamb and mutton was shipped in 1954 to these 3 States.

Farmers and ranchers are always interested in improving their markets. Here are the highlights from a survey conducted by the Agricultural Marketing Service.

Lamb and mutton shipments to New York and California were more than double shipments to any other State in 1954. Almost 24 percent of the total available supplies were shipped to New York, and 21 percent to California.

The third ranking State was Massachusetts with slightly over 8 percent of the total. Other leading States were: Pennsylvania, 6.2 percent; Illinois, 6.2 percent; New Jersey, 5.9 percent; and Michigan, 4.3 percent.

Best Customers

People in Massachusetts are the best "customers" of lamb and mutton producers, while Californians ran a very close second. In Massachusetts, they had available for consumption 12.4 pounds per person, while Californians had 12.3 pounds per person.

Lamb and mutton producers have a lot of good customers in other States. For example, New York consumed 11.5 pounds per person, Utah, 9.3 pounds; New Jersey, 8.3 pounds; Rhode Island, 6.5 pounds, and Connecticut, 6.5 pounds.

Only 5 other States—Nevada, New Mexico, Illinois, Arizona, and Michigan and the District of Columbia—had higher consumption per person than the United States average of 4.5 pounds.

In 1954, consumption per person was 4.5 pounds, down from 7.2 pounds in 1945—the largest in recent years.

Lamb and mutton available for consumption totaled 739,425,000 pounds dressed weight in 1954. Meat establishments under Federal inspection shipped 649,822,000 pounds; other commercial meat packers' production was estimated at 76,603,000 pounds; farm slaughter, 13,000,000 pounds.

What Customers Like

Chops and leg of lamb are the favorite cuts of an overwhelming majority of lamb users in Cleveland, Ohio, according to results of a sample survey conducted in mid-1955. Five in 10 chose chops and 4 in 10 selected leg of lamb.

And here's what they said about why they liked lamb: "Its distinctive flavor, nutritive qualities, lean tender texture, ease of preparation, and variety it adds to meals."

This is what users disliked about lamb: Its cost, its "tough, greasy texture," a "strong flavor," and an odor which is considered particularly disagreeable during cooking.

Homemakers in the upper income groups, the better educated group, and in the group over 45 years of age are more likely to use lamb than those in lower income, education, or age groups. Those whose parents were born in the Northeastern or North Central States were also more likely to be lamb users than were respondents whose parents came from other parts of the country.

Eight users in 10 said that lamb was available the year round in the stores where they shop; only 1 in 10 had been unable to buy lamb more than 3 times during the year.

Harry O. Doty, Jr., Daniel B. Levine,
and J. Scott Hunter
Marketing Research Division, AMS

SMALLER CROP ACREAGE IS PLANNED

A moderate reduction from last year's total crop acreage appears likely, according to farmers' intentions as of March 1. However, changes this year from these early prospects for various crops may be somewhat greater than usual, after all influences have been reflected.

Farmers may shift their plans if farm programs which were in effect when the farmers reported on March 1 are modified by Congress.

Changes in Allotments

Then, too, some changes in crop acreage allotments, notably tobacco and durum wheat, were announced after farmers mailed in their questionnaires for the March Intentions Report.

With these and other possible changes in mind, here are the highlights of the Crop Reporting Board's prospective plantings report as of March 1.

Feed grain crops apparently will furnish the major part of the total acreage reduction from 1955. Corn acreage promises to be the smallest planted since 1926, the earliest year in the series of planted acreage estimates. In fact it is smaller than the harvested acreage in any year since 1892.

Corn plantings of 78.7 million acres for 1956 would be 3.5 percent below plantings last year and 7 percent below average. Decreases in corn acreage prospects are rather uniform by areas. However, even from this year's reduced acreage, yields at the 5-year average level for each State would give another 3-billion-bushel crop.

Oats plantings will be cut 2 million acres or about 4 percent below the 1955 record of 48 million acres with decreases in all except the Western and North Atlantic regions. This would still be 4 percent more than the 10-year average.

Barley acreage will be reduced 1.3 million acres with decreases in nearly

all leading States. Seedings made last fall together with those made and to be made this spring point to a total of 14.8 million acres for 1956.

Sorghum for all purposes seems likely to exceed last year's record acreage because of increases expected in Kansas and Nebraska. Hazards (as of March 1) still ahead for Southern Plains winter wheat, however, make a March appraisal of sorghum acreage prospects extremely tentative. The prospective 24.2 million acres would be only slightly above the acreage last year but 68 percent above the 10-year average.

Food grain acreage seeded this spring may exceed the 1955 total by about one-half million acres or 3 percent.

The total planted acreage of winter and intended spring wheat is up 1½ million acres with spring wheat up 700,000 acres, mostly in durum wheat. The durum acreage finally planted is subject to possible further increase because of enlarged acreage allotments announced after farmers reported their intentions as of March 1.

Soybeans stand out this year as the leader in acreage expansion. The 2.1 million-acre increase indicated over the 1955 record would bring plantings to a total of 21.8 million acres.

Flaxseed acreage is also being increased about 5 percent more than the 5.2 million acres seeded last year. Acreage gains in North Dakota and Minnesota are expected to be chiefly responsible for the third largest national acreage on record.

Peanut Acreage Down

Peanut acreage is expected to be about 4 percent below last year's 2 million acres. Slightly more Virginia type peanuts are expected than last year in response to the recently announced allotment increase. Decreases in southeastern and southwestern areas, however, more than offset the Virginia-Carolina gain.

Hay acreage is expected to make a slight further gain over the 1955 level, maintaining its usual one-fifth of the combined total of all harvested crops. During the past 6 years, the Nation's hay acreage has ranged close to the 74 million mark except in 1954—a year in which much late hay acreage in Southern States made only short growth or was used for pasture.

Potato plantings are expected to be 1,393,600 acres or about 4 percent less than last year, with reductions in most seasonal groups. Acreage is down 9 percent in 13 early States, 4 percent in the 7 intermediate States, and 3 percent in the 29 late States.

Sweetpotatoes Cut

Acreage intentions on sweetpotatoes are reported at 322,800 acres, 11 percent below the 1955 planted acreage and 31 percent below the 10-year average. The reduction in the intended acreage this year is apparently the result of the relatively low prices received for the 1955 crop.

As for tobacco, farmers' reports as of March 1 indicate intentions to plant 1,366,000 acres of all types of tobacco, a reduction of 10 percent from last year. However, on March 2, legislation was signed by the President providing increases over the allotments proclaimed earlier for burley, fire-cured, dark air-cured, and Maryland tobaccos. This occurred after most farmers' intentions reports for this survey were completed and before individual growers knew what their final 1956 allotments would be.

There is no way of knowing to what extent farmers took into account the possibility of higher acreage allotments in reporting their planting intentions. Since the new acreage allotments for burley, fire-cured, and dark air-cured are practically the same as in 1955, the acreage finally planted for these types may be about the same as last year.

Rice growers plan to reduce their acreage about 13 percent below last year, primarily to keep within allotments, according to March 1 reports. If these intentions materialize, the 1,597,000 acres seeded to rice would be 16 percent below the 10-year average and smallest since 1946.

Growers intend to plant 1,535,000 acres of dry beans. This is about 8 percent less than last year. At the time most farmers reported their intended acreage, the 1956 Government support program for dry beans had not been announced. The 1956 program was announced March 1 with the support at 70 percent of parity or \$6.31 per hundredweight.

More Dry Peas

Growers intend to plant 377,000 acres of dry peas, including acreage planted for seed. This would be an increase of 16 percent over the acreage planted in 1955 and slightly larger than the 10-year average.

Growers plan to plant 829,000 acres of sugar beets for sugar this year, about 4 percent more than last year.

C. E. Burkhead, *Chief
Field Crops Branch*

Agricultural Estimates Division, AMS

FARMERS' PRICES

Indexes (1910-14=100)	1955			1956		
	March	December	Year (average)	January	February	March
Prices received by farmers.....	244	223	237	226	226	230
Parity index (prices paid, interest, taxes, and wage rates).....	284	278	281	281	280	282
Parity ratio.....	86	80	84	80	81	82

UNIVERSITY MICROFILMS
EUGENE B POWER
313 N FIRST ST
ANN ARBOR MI 48106
MICH

EARLY LAMB CROP DOWN 2 PERCENT

The 1956 early spring lamb crop in the principal early lamb States is estimated to be about 2 percent less than last year, according to the Crop Reporting Board.

The smaller early lamb crop is due to a smaller number of breeding ewes. The percentage of ewes lambing early this season is about the same as last year.

The number of breeding ewes was down from a year ago in Texas, Idaho, Washington, and Oregon. In the rest of the early lamb States, ewe numbers were the same or larger than a year ago.

California, the leading early lamb State, and Texas showed a lower percentage of ewes lambing early than a year ago, while in other States the percentage of early lambs was the same or larger than a year ago. In the early lambing States, the 1956 lambing percentage (lambs saved per 100 ewes) is about the same as a year ago.

In the Southeastern States, the number of early lambs saved is larger than a year ago due to a larger number of ewes lambing and also a higher proportion lambing earlier than a year ago. In the Pacific Northwest, the early lamb crop is only slightly larger than a year ago.

Farmer's share of consumer's food dollar

February	1956-----	39 percent
January	1956-----	39 percent
February	1955-----	42 percent

UNITED STATES
DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
WASHINGTON 25, D. C.
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, \$300
(GPO)